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October 3, 2001

Ms. Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
Once South Station  
Boston, MA 02110

Re: Fitchburg Gas and Electric Light Company, Default Service Supply  
D.T.E. 99-60

Dear Ms. Cottrell:

Fitchburg Gas and Electric Light Company ("FG&E") hereby submits for the Department's approval the results of its solicitation for default service supply for the period December 1, 2001 through May 31, 2002. Under separate cover, FG&E is also submitting today new tariffs reflecting retail rate changes resulting from this new default service supply.

As more fully explained in the attached Appendix, FG&E issued its Request for Proposals ("RFP") for Default Service through the Web-based Entermetrix Energy Exchange. The Company received requests for copies of the RFP from 22 companies and received bids from five suppliers. FG&E received competitive bids well below its current rates including, for the first time, class differentiated rates. FG&E evaluated the bids and on October 2, 2001, entered into a contract with the winning bidder.

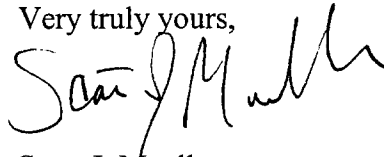
The attached Appendix includes a copy of the description of the bid evaluation and contract award, a copy of the RFP, the executed contract, and FG&E's pricing evaluation. Pursuant to the Motion for Protective Treatment filed in D.T.E. 99-60 on November 1, 2000, FG&E seeks to protect from public disclosure the wholesale prices bid in response to its RFP, negotiated contract terms and the identify of the suppliers. Accordingly, FG&E is providing redacted versions of the Appendix, and two copies of the complete filing for which the Company seeks protective treatment with the hearing officer.<sup>1</sup>

<sup>1</sup> FG&E is also providing a complete copy of the filing to the Attorney General and the Division of Energy Resources, with whom FG&G has entered into Nondisclosure Agreements for this proceeding.

Ms. Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
October 3, 2001  
Page 2

FG&E respectfully requests the Department's approval of the default service supply contract which is reflective of the current wholesale market and consistent with the goals of the Restructuring Act and the Department in providing default service that reflects the market price of power. Thank you for your prompt attention to this matter.

Very truly yours,



Scott J. Mueller  
Counsel for Fitchburg Gas  
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SJM/ags  
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D.T.E. 99-60 Service List

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## APPENDIX

D.T.E. \_\_\_\_ - \_\_\_\_ - Fitchburg Gas and Electric Light Company

Electric Default Service  
Contract Award and Bid Evaluation

CONFIDENTIAL

**REDACTED**

File Date: October 3, 2001

REDACTED  
REDACTED

Fitchburg Gas and Electric Light Company ("FG&E")  
Electric Default Service  
Contract Award and Bid Evaluation

**Introduction**

FG&E issued its Request for Proposals ("RFP") for Default Service through the Enermetrix Network. Enermetrix, headquartered in Maynard, Massachusetts, operates the most active electronic network for retail natural gas and electricity contracting, which provides sellers and buyers of energy with an efficient marketplace to sell and buy natural gas and electricity. Enermetrix has significant relationships with approximately 50 active suppliers who are now serving or looking to serve retail electric loads in the New England, New York and PJM areas. FG&E choose to have Enermetrix issue the RFP and manage the solicitation of bids from potential suppliers in order to provide the best possible results for its retail default service customers.

On Thursday, August 30, 2001, Enermetrix announced that FG&E's RFP for Default Service for the period of December 1, 2001 through May 31, 2002 was available. Enermetrix posted FG&E's RFP on their Energy Exchange. In addition, as was done in FG&E's last solicitation of default service bids, Enermetrix issued notice of the RFP via electronic mail to the NEPOOL Markets Committee and to a list of suppliers and marketers maintained by Natsource, Inc., a popular power broker in the New England market. Notice was also given to all who had previously requested a copy of FG&E's default RFP. Enermetrix also issued a press release announcing the issuance of the RFP. The press release resulted in a mention of the RFP in MegaWatt Daily, a popular industry publication.

Enermetrix ultimately delivered the RFP package to 32 individuals representing 22 separate companies. A copy of the RFP is attached as Tab B.

On Monday, September 24, 2001, Enermetrix received and delivered to FG&E proposals that included required company background information and initial pricing from five suppliers. During the balance of this week, FG&E reviewed the proposals and worked directly with the initial bidders to establish that all were credit worthy, capable of performing acceptably in FG&E's estimation, and willing to enter into contract terms acceptable to FG&E. On Friday, September 28, 2001, Enermetrix received final pricing from three of the five suppliers; one of the other suppliers decided not to bid and the other left pricing as initially bid. Enermetrix delivered these updated bids to FG&E and FG&E conducted its evaluation. That same day, FG&E awarded its entire Default Service load to a single supplier (Dominion Nuclear Marketing II, Inc.) for the period of

December 2001 through May 2002 and notified the other bidders that they were not selected.

### ***Evaluation***

FG&E based its evaluation on several quantitative and qualitative criteria. The RFP requested fixed prices by month for each of two customer groupings: one grouping for residential and small commercial customers and another grouping for medium and large commercial and industrial customers. The bidders submitted differentiated pricing for each customer group. FG&E compared the proposed pricing strips over the period by calculating weighted average prices for the term, using a forecast of default service loads FG&E had prepared prior to issuing the RFP. The forecast was included in the RFP package.

The bids received from the three suppliers who updated their pricing when final pricing was due were within a fairly narrow bandwidth. The highest bid for the residential and small C&I customer group was [REDACTED] higher than the winning bid. The highest bid for the residential and small C&I customer group was [REDACTED] higher than the winning bid.

FG&E was pleased with the credit worthiness, ability to perform, and willingness to enter into acceptable contract terms of each of the three competitive final bidders. Therefore, FG&E selected the winner bidder on the basis of price. The winning bidder offered the lowest price for each customer group; thus both were awarded to the same supplier. The winning bidder will become FG&E's supplier of default service for both customer groups for the period of December 1, 2001 through May 31, 2002.

### ***Contract for Approval***

FG&E hereby files for Department approval the Default Service Power Contract between Fitchburg Gas and Electric Light Company and Default Service Supplier, as executed by both parties. This contract is being filed in accordance with D.T.E. 99-06c for the Department's review and approval. The contract is attached as Tab A.

***Tab A. Executed Default Service Contract***

**DEFAULT SERVICE POWER CONTRACT BETWEEN  
FITCHBURG GAS AND ELECTRIC LIGHT COMPANY  
AND**

**[REDACTED]**

**ARTICLE 1****General Terms and Conditions****REDACTED**1.1 General Purpose

This Default Service Power Contract (the "Power Contract") dated as of October 2, 2001 is by and between [REDACTED] (the "Seller") and Fitchburg Gas and Electric Light Company ("FG&E", the "Buyer"). Pursuant to this Power Contract, Seller will supply firm full-requirements service as necessary to serve all the Buyer's Default Service load during the term of this Power Contract.

1.2 Availability and Term

Sales under this Power Contract by Seller are available to Buyer only for resale to retail customers taking service from Buyer under its retail Default Service tariff. This Power Contract covers sales to Buyer for the supply obligation period of December 1, 2001 through May 31, 2002.

1.3 Obligations of the Parties

Seller will provide firm full-requirements service for loads reported by Buyer which accurately represent the loads of all customers which have elected to take retail service under Buyer's retail Default Service tariff. This firm requirements power will be supplied via a load asset contract in the ISO-NE market system. Buyer will file this Power Contract with the Massachusetts Department of Telecommunications and Energy ("DTE").

This Power Contract will terminate of its own accord on May 31, 2002, unless earlier terminated prior to that date by either the Buyer or the Seller according to Article 3. Its terms shall remain in effect beyond such termination date in order to complete billing and payment of any transaction occurring during the term of this Power Contract.

The Parties anticipate that Seller may satisfy all of its obligations to Buyer under this Power Contract by ISO-NE providing such Contract Products to Buyer and payment by Seller of ISO-NE invoices for same.

Buyer shall be solely responsible for delivering the Contract Products to its customers and complying with all Laws governing such service, at its sole cost and expense. Pursuant to its obligations to the Buyer under the Power Contract, Seller shall be responsible to ISO-NE for the wholesale obligation for Contract Products for the Default Service Load. For purposes of this Power Contract, "Laws" shall mean any law, rule, regulation, order, writ, judgment, decree or official interpretation thereof or other legal or regulatory determination by a court, regulatory agency or governmental authority of competent jurisdiction, as the case may be.

If Buyer merges or consolidates with or into another entity or otherwise directly or indirectly acquires substantially all of the assets or shares of another entity, Seller shall have no obligation to supply Contract Products necessary to meet the increase in the Default Service Load that may occur due to the expansion of the service territory or customer base of Buyer (or any successor thereof) resulting from such merger, consolidation or asset or share acquisition.

# REDACTED

Buyer's obligation to purchase and receive Contract Products from Seller to serve the Default Service Load is exclusive and shall be absolute and unconditional except to the extent excused by Force Majeure.

Buyer's obligation to pay Seller for the provision of Contract Products is not affected by any failure on the part of any retail customer to pay Buyer for electric service or the recovery by Buyer of the amounts paid to Seller in the rates payable by its retail customers or other customers, or otherwise.

Buyer agrees to provide Seller with data, information and other materials and assistance as Seller shall reasonably request from time to time to enable Seller to perform its obligations hereunder, including, without limitation, historical load data, customer rate class characteristics and load shape information and customer attrition data as may be available from time to time.

The Parties recognize that under the NEPOOL Rules, the Default Service Load must be reported to ISO-NE. Buyer shall estimate the total hourly Default Service Load based upon typical load profiles developed for each customer rate class, actual metered data as available and Buyer's actual total hourly load. Buyer shall use commercially reasonable efforts to report to ISO-NE the amount of the hourly adjusted Default Service Load, including distribution and local transmission losses, by 1300 hours of the second following Business Day, or at such other time as may be required by ISO-NE or NEPOOL Market Rules and Procedures. Within 45 days after the end of each month, Buyer shall aggregate the Default Service Load for the previous month as determined by the estimation process. The result of the estimation process shall be used to determine the quantities of delivered Contract Products to Buyer in the applicable month.

## 1.4 Rights and Approvals

The obligations of the Seller and the Buyer are subject to and conditioned upon securing and retaining all rights and approvals necessary in order to permit service hereunder, and each party agrees to use its best efforts to secure and retain all such rights and approvals which may be required from regulatory authorities of competent jurisdiction.

## 1.5 Continuity of Service

It is understood that the sales hereunder are firm sales and Seller guarantees firm full-requirements energy, 10 Minute Spinning Reserve ("TMSR"), 10 Minute Non-Spinning Reserve ("TMNSR"), 30 Minute Operating Reserve ("TMOR"), Automatic Generation Control ("AGC"), Installed Capacity ("ICAP"), and any other reserve or capacity requirements as may be required of load serving entities during the term of this Power Contract to Buyer from the wholesale market. Energy, TMSR, TMNSR, TMOR, AGC and ICAP shall be referred to collectively herein as "Contract Products" and have the definitions as set forth in the New England Power Pool Market Rules & Procedures. Interruption of service shall only be allowed for Buyer's inability to accept and deliver power to its retail customers and for events of force majeure. BUYER shall transfer and SELLER shall accept the obligation for serving 100% of the Electrical Load associated with the Default Service Load as defined herein of such Load Asset through the submission of Load Asset Contracts and Load Asset Contract Acknowledgements under the NEPOOL Market System. Load Asset quantities used to determine the Default Service Load quantities under this Power Contract shall be as determined and reported to ISO-New England by the assigned Meter Reader for all Load Assets, including BUYER's Load Asset, using the load estimation and reconciliation process in the NEPOOL Market Rules and Procedures.

## 1.6 [Intentionally left blank]

## 1.7 Dispatch

It is understood that the Seller is a member of the New England Power Pool ("NEPOOL") and is a signatory to the NEPOOL Agreement or has made an arrangement with a NEPOOL Participant to provide



# REDACTED

settlement services for the duration of this Power Contract. Transactions under this Power Contract are subject to the provisions of the NEPOOL Agreement. The dispatch provisions shall be in accordance with the NEPOOL Agreement, as amended from time to time.

## 1.8 Billings and Payment

(a) All bills shall be rendered monthly in such reasonable detail as the Buyer may request. All bills shall be due and payable upon presentation by wire transfer. In the event of a dispute as to the amount of any bill, the Buyer will notify the Seller of the amount in dispute, and the Buyer will pay to the Seller the entire amount of the bill, including the disputed amount. The Seller shall refund, with simple interest at the rate described in paragraph (c), any portion of the disputed amount ultimately found to be incorrect. In the event adequate billing data are not available, bills may be rendered on an estimated basis subject to prompt corrective adjustment when such data are received.

(b) The Buyer shall not have the right to challenge any bill, invoice or statement or bring any court or administrative action of any kind questioning the same or seeking refunds after a period of 12 months from the date it is rendered. In the case of a bill, invoice, or statement containing estimates, the Buyer shall not have the right to challenge its accuracy after a period of 12 months from the date it is adjusted to reflect the actual amounts due.

(c) When all or part of any bill shall remain unpaid for more than 15 days from receipt by the Buyer, the Buyer shall pay to the Seller simple interest at two percent over the then prime rate offered by Fleet Bank, its successors or assigns, with such interest to be computed on the unpaid amount from the date of rendering to the date final payment is received.

(d) If the Parties are required to pay an amount in the same month each to the other, such amounts shall be netted, and the Party owing the greater aggregate amount shall pay to the other Party any difference between the amounts owed. Each Party reserves all rights, setoffs, counterclaims and other remedies and defenses (to the extent not expressly herein waived or denied) that such Party has or to which such Party may be entitled arising from or out of this Power Contract. All outstanding obligations to make payment under this Power Contract or any other power contract between the Parties may be offset against each other, set off or recouped therefrom.

## 1.9 Indemnification

Each party shall indemnify and save the other party harmless from and against all costs and damages incurred by reason of bodily injury, death, or damage to property caused by, or sustained on, each of its own facilities. However, each of the parties shall be solely responsible for, and shall bear all costs of claims by its own employees, contractors, or agents, no matter where such event occurs, and each of the parties shall be solely responsible for, and shall bear all costs of claims by its own employees, contractors or agents arising under, and covered by, any workmen's compensation law.

## 1.10 Force Majeure

The Seller and the Buyer shall use due diligence to perform their obligations under this Power Contract, but conditions may arise which prevent or delay performance by a party because of causes beyond that party's reasonable control including, without limiting the generality of the foregoing, flood, earthquake, fire, explosion, epidemic, war, riot, civil disturbance, labor trouble, strike, sabotage, and restraints by court or public authority which by exercise of due diligence and foresight a party could not be expected to avoid. If a party is rendered unable to fulfill any obligations by reason of such causes, it shall be excused from performing to the extent it is prevented or delayed from so doing, but shall exercise due diligence to correct such inability with all reasonable dispatch, and shall not be liable for injury, damage, or loss resulting from such inability. However, settlement of strikes and labor disturbances shall be wholly within the discretion of the affected party. In no event will economic hardship be construed as a force majeure event.

# REDACTED

## 1.11 Dispute Resolution

The Seller and the Buyer shall attempt in good faith to resolve any disputes that may arise under this Power Contract. In the event that the Seller and the Buyer are unable to resolve any such dispute within 30 days of the date on which the dispute arises, they shall have recourse to mediation, arbitration, or other alternative dispute resolution device of their mutual selection. If the parties cannot agree on an alternative dispute resolution device, they shall submit the dispute to arbitration. Any arbitration shall be by a single arbitrator selected by the parties. Any claim, counterclaim, demand, cause of action, dispute, or controversy arising out of or relating to this Power Contract or the relationship established by this Power Contract, any provision hereof, the alleged breach thereof, or in any way relating to the subject matter of this Power Contract, involving the Parties and/or their respective representatives (for purposes of this Section 1.11 only, collectively the "Claims"), even though some or all of such Claims allegedly are extra-contractual in nature, whether such Claims sound in contract, tort, or otherwise, at law or in equity, under state or federal law, whether provided by statute or the common law, for damages or any other relief, shall be resolved by binding arbitration. Arbitration shall be conducted in accordance with the rules of arbitration of the Federal Arbitration Act and, to the extent an issue is not addressed by the federal law on arbitration, by the Commercial Arbitration Rules of the American Arbitration Association as the same may be in effect from time to time. The validity, construction, and interpretation of this Power Contract to arbitrate, and all procedural aspects of the arbitration conducted pursuant hereto shall be decided by the arbitrator. In deciding the substance of the Parties' Claims, the arbitrator shall refer to the governing law. It is agreed that the arbitrator shall have no authority to award treble, exemplary or punitive damages of any type under any circumstances whether or not such damages may be available under state or federal law, or under the Federal Arbitration Act, or under the Commercial Arbitration Rules of the American Arbitration Association, the Parties hereby waiving their right, if any, to recover any such damages. The Parties also agree that the American Arbitration Association's Optional Rules for Emergency Measures of Protection shall apply to the arbitration proceeding. The arbitration proceeding shall be conducted in Massachusetts. The arbitrator shall have at least eight years' professional experience in electrical energy-related transactions; shall not have been previously employed by either Party; and shall not have a direct or indirect interest in either Party or in the subject matter of the arbitration. To the fullest extent permitted by law, any arbitration proceeding and the arbitrator's award shall be maintained in confidence by the Parties. It is understood and agreed, however, that judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

## 1.12 Assignability

This Power Contract for the sale and purchase of capacity, energy and ancillary services shall inure to the benefit of, and shall bind the successors of the parties thereto, but shall not be assignable without the written consent of the other party, which consent shall be at the sole discretion of such other party; provided, however, that Seller may assign its rights and obligations under this Power Contract without Buyer's consent to any affiliate of Seller if such affiliate agrees to be bound by the terms hereof and such affiliate's creditworthiness or that of the guarantor of such affiliate is comparable to or higher than that of Seller. An assignment by Seller pursuant to this section shall release Seller from its obligations hereunder only if the credit rating of the assigned or its guarantor is at least BBB- by Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) or Baa3 from Moody's Investors Services, Inc.

## 1.13 Security

[REDACTED]

REDACTED

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

1.14 Communications

Any notice, demand or request provided for in this Power Contract shall be deemed to be properly given or made if set forth in writing and delivered by courier (effective when actually received), or sent by first class mail postage prepaid (effective three (3) business days after sending), by facsimile (effective when confirmed by telephone) or electronic mail effective when confirmed by telephone to Buyer or to Seller, to the contacts identified, at the addresses listed below:

To FG&E:

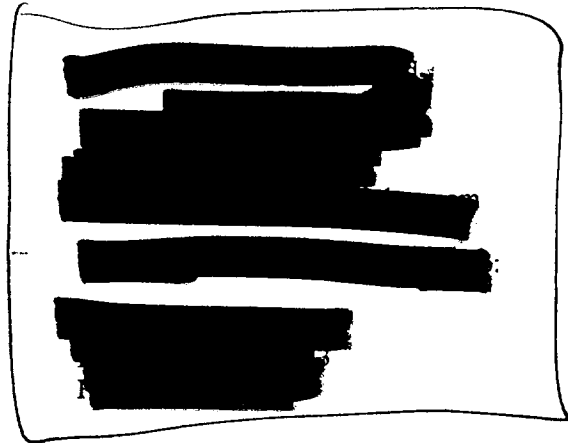
Mr. David K. Foote  
Senior Vice President  
Fitchburg Gas and Electric  
Light Company

To Default Service Supplier:

[REDACTED]ric

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Hampton, NH 03842-1720  
Telephone: (603) 773-6430  
Facsimile: (603) 773-6630  
E-mail: foote@unitil.com

**REDACTED**



1.15 Effect of Federal and State Laws

The obligations of the Seller and the Buyer hereunder are subject to any present and future Federal and State laws, regulations, orders, or other regulations duly promulgated. If the government of the United States of America or the Commonwealth of Massachusetts adopts, enacts, or otherwise imposes a new law, rule or regulation which either make a Party's performance of this Power Contract unlawful or impossible or makes the Power Contract unenforceable and such governmental action does not constitute an Event of Force Majeure under Section 1.10 of this Power Contract, the Parties shall negotiate in good faith to amend the terms of this Power Contract and to determine the appropriate changes, if any, so that the Party affected by such change in law or regulation is able to lawfully perform its obligations under this Power Contract, giving effect to the original intention of the Parties. In the event that the Parties are not able to agree on any proposed amendments to the Power Contract, the Parties shall submit the matter to binding arbitration.

1.16 Applicable Laws

This Power Contract shall be interpreted in accordance with the laws of the State of New York.

**ARTICLE II**  
**Rate Provisions**

2.1 Charges

The Buyer shall pay monthly to the Seller the product of the monthly price per kWh listed in section 2.2 below times the sum of all retail kWh validly assigned to the customers (in either or both customer groups) taking service under the Buyer's Default Service tariff (as reported to NEPOOL or ISO-NE at Flag Pond Substation) (the "Default Service Load") in and for each month during the term of this Power Contract.

2.2 Monthly Default Service Prices

For the Default Service Load of each customer group below the firm requirements price shall be as follows.

December, 2001  
January, 2002  
February, 2002  
March, 2002  
April, 2002  
May, 2002

Residential and Small C&I      Medium and Large C&I



[illegible]

Contract Products sold to Buyer pursuant to this firm Power Contract are to be delivered by the Seller to the Flag Pond Substation on the NEPOOL PTF system (the "Delivery Point"). The Buyer will arrange and pay for Regional Network Service and Local Network Service and include the cost of all transmission from the Delivery Point to Buyer's system in its retail rates; Buyer shall also be responsible for all losses for delivery to its customers' meters. The cost and scheduling of any other required third party transmission service to deliver the Contract Products to the Delivery Point and the cost of all losses for delivery to the Delivery Point shall be the responsibility of the Seller. Seller is responsible for all costs and charges billed by NEPOOL for the Default Service Load not otherwise identified as Buyer's responsibility herein.

Title to the Contract Products delivered, provided or received hereunder shall transfer from Seller to Buyer at the Delivery Point. With the exception of any sales or gross receipts taxes that are required by law to be paid by the Buyer or the Buyer's customers, Seller shall pay or cause to be paid all taxes on or with respect to the sale of the Contract Products prior to the Delivery Point. Buyer shall pay or cause to be paid all taxes on or with respect to the purchase of the Contract Products at and after the Delivery Point. Each Party shall use reasonable efforts to administer this Power Contract and implement its provisions in accordance with the intent of the Parties to minimize the imposition of taxes. The provisions of this section allocating responsibility for payment of taxes shall also apply to any taxes that are enacted or become effective after the date hereof and which are assessed with respect to the Contract Products provided by Seller under this Power Contract, regardless of where or how assessed.

## Default and Termination Provisions

[illegible]

REDACTED

3.2 Right to Terminate. The Non-Defaulting Party shall have the option to terminate this Power Contract for an Event of Default by providing five (5) days written notice to the Defaulting Party. In addition, for an Event of Default described in Article 3.1(a), the SELLER shall have the right to suspend performance under this Power Contract.

3.3 Settlement Amount.

**REDACTED**

REDACTED

#### ARTICLE IV

##### Representations and Warranties

As a material inducement to entering into this Power Contract, each Party, with respect to itself, represents and warrants to the other Party as follows throughout the Term hereof:

4.1 It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation and is qualified to conduct its business in those jurisdictions necessary to perform this Power Contract.

4.2 Seller has all regulatory authorizations necessary for it to legally perform its obligations under this Power Contract and no consents of any other Party and no act of any other governmental authority is required in connection with the execution, delivery and performance of this Power Contract. Buyer has all regulatory authorizations necessary for it to legally enter into this Power Contract and, upon the DTE's approval of this Power Contract, which Buyer will use reasonable efforts to obtain, Buyer will have all regulatory authorizations necessary for it to legally perform its obligations under this Power Contract and no consents of any other Party and no act of any other governmental authority is required in connection with the execution, delivery and performance of this Power Contract.

4.3 The execution, delivery and performance of this Power Contract are within its powers, have been duly authorized by all necessary action and do not violate any of the terms or conditions in its governing documents or any contract to which it is a Party or any law, rule, regulation, order, writ, judgment, decree or other legal or regulatory determination applicable to it.

4.4 This Power Contract constitutes a legal, valid and binding obligation of such Party enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, reorganization and other laws affecting creditor's rights generally, and with regard to equitable remedies, to the discretion of the court before which proceedings to obtain same may be pending.

4.5 There are no bankruptcy, insolvency, reorganization, receivership or other proceedings pending or being contemplated by it, or of its knowledge threatened against it.

4.6 There are no suits, proceedings, judgments, rulings or orders by or before any court or any governmental authority that materially adversely affect its ability to perform this Power Contract.

4.7 SELLER warrants that it has the right to sell the Contract Product delivered hereunder and that such Contract Product is free from all liens and material adverse claims of any kind.



REDACTED

4.8 SELLER warrants that it is a member of the New England Power Pool.

**Article V**

**Miscellaneous**

5.1 THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS POWER CONTRACT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

5.2 Each Party agrees that it is a "forward contract merchant" within the meaning of the United States Bankruptcy Code, that this Power Contract is a "forward contract" within the meaning of the United States Bankruptcy Code and that it will not assert otherwise.

IN WITNESS HEREOF, the parties have caused this Default Service Power Contract to be executed by their respective authorized officials.

FITCHBURG GAS AND ELECTRIC  
LIGHT COMPANY

Date: 10/2/01

By: David K. [Signature]

Title: Senior Vice President

Date: 10/2/01

***Tab B. FG&E Default Service RFP as Issued***

# Fitchburg Gas and Electric Light Company

Default Service  
Request for Proposals

Service Period:  
December 1, 2001 – May 31, 2002

Issued: August 30, 2001

Fitchburg Gas and Electric Light Company  
("FGE")

Default Service  
Request for Proposals  
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**Request for Proposals  
To Provide  
Default Service  
To Customers of  
Fitchburg Gas and Electric Light Company**

**I. Introduction**

The Massachusetts Electric Industry Restructuring Act of 1997 ("Massachusetts Act") provided for competition in the electric utility industry by extending competition in the wholesale power supply markets to retail customers through the provision of retail access to all customers. The Massachusetts Act provided access for all retail customers of Fitchburg Gas and Electric Light Company ("FG&E") as of March 1, 1998. The Massachusetts Act requires each distribution company to provide default service to those customers that are not receiving generation service as part of the standard offer service option or from a competitive supplier ("Default Service").

The Massachusetts Act requires Default Service to be competitively procured. In addition, the Massachusetts Department of Telecommunications and Energy ("DTE") initiated a generic proceeding on rules and procedures for the provision of and pricing of Default Service<sup>1</sup>. The DTE ordered all electric companies in Massachusetts to procure Default Service through competitive solicitations by customer group and to procure such power at fixed monthly prices<sup>2</sup>. For FG&E, two customer groups have been established. One group contains residential and small commercial and industrial ("C&I") customers, the other group contains medium and large C&I customers.

FG&E is issuing this Request for Proposals ("RPF") to solicit competing power supply offers from qualified power suppliers ("Suppliers") to supply firm, load-following power to meet 100% of the Default Service requirements for its two customer groups for the period of December 1, 2001 through May 31, 2002.

This RFP provides background information and details the major components, requirements, commercial terms and conditions, and elaborates on the procedures to be employed by FG&E to select the winning Supplier(s).

**II. Description of Default Service**

FG&E is soliciting load-following power supply offers to meet the needs of its ultimate customers who are taking service under its Default Service tariff. Default Service is provided to retail customers who are not otherwise eligible for standard offer service or are not taking service from a competitive supplier. Default Service can be initiated by: a) a customer notifying FG&E that they wish to terminate service from their competitive

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<sup>1</sup> Docket D.T.E. 99-60.

<sup>2</sup> See Dockets D.T.E. 99-60-A and D.T.E. 99-60-B.

supplier and commence Default Service; b) a competitive supplier notifying FG&E that it is terminating service to a customer; c) a competitive supplier ceasing to provide service to a customer without notifying FG&E; or d) a customer moving into FG&E's service territory after March 1, 1998, who has not affirmatively chosen a competitive supplier and is not otherwise eligible for standard offer service.

For the purpose of this solicitation, FG&E has established two Default Service customer groups, comprised of the customer rate classes shown in the following table. Suppliers are encouraged to submit bids to provide service to both customer groups, however bids to supply only one customer group will be accepted.

| Customer Group            | Customer Rate Class                           |
|---------------------------|---|
| Residential and Small C&I | RD-1, RD-2, RD-4, GD-1, GD-6                  |
| Medium and Large C&I      | GD-2, GD-3, GD-4, GD-5 and SD (street lights) |

The amount of Default Service to be supplied by the winning Supplier(s) will be determined in accordance with the retail load associated with those customers who from time to time rely on Default Service. FG&E cannot predict the number of customers that will rely on Default Service, how much load will be represented by these customers, or how long they will continue to take Default Service. FG&E expressly reserves the right to encourage customers to choose their own supplier from the competitive marketplace instead of taking Default Service.

Included in the Medium and Large C&I component is an industrial customer whose load has been approximately 0.6MW per hour. This customer expects to begin testing equipment that will increase its load to 5-7MW per hour. The customer indicates that they may begin testing in December or January and estimates that it may be in full production during March or April. This load is properly classified as Default Service load, although the customer may seek supply from third party suppliers in accordance with retail customer choice rights and regulations. In the event that, and for so long as, this customer does not contract with a competitive supplier, its load will continue to be served by the Default Service sought in this RFP. As further information becomes available, FG&E or its agents will notify all suppliers interested in bidding on the Default Service supply sought in this RFP.

To assist Suppliers in determining the potential load requirements, historic aggregate hourly Default Service loads have been included along with this RFP in electronic format (see file "Hourly Loads.xls"). Copies of FG&E's monthly DOER 110 forms from January 2000 through July 2001 are attached as Appendix C (see file "App C - DOER 110.pdf"). The DOER 110 form details by customer rate class the number of customers and monthly retail billed kWh sales delivered to customers receiving standard offer service, Default

Service<sup>3</sup> and generation service from competitive suppliers. Class average load shapes (8760 hours) are available on FG&E's website at <http://services.unitil.com/fge/loadshapes.asp>. In addition, FG&E is providing the estimated monthly loads for each customer group which will provide the basis for weighting competing bids (see file "Evaluation Worksheet.xls").

### III. General Provisions

#### Terms and Conditions

A winning Supplier(s) will be selected to provide Default Service to each customer group during the supply obligation period of this RFP. Default Service will be provided by such Supplier(s) to FG&E in accordance with the terms and conditions of the Default Service Power Contract ("Contract"). A copy of the Default Service Contract is provided in Appendix A (see file "App A - Contract.doc"). The winning Supplier(s) will be required to execute the Contract within two (2) business days of being notified that it has been selected as the winning Supplier. The Contract is subject to approval by the Massachusetts DTE, and FG&E is responsible for this filing. The winning Supplier(s) will submit the Contract for approval by the FERC with all requisite time waiver requests (if seller is subject to FERC regulation and approval).

#### Proposal Process and Submission Date

The following table outlines key dates associated with this procurement process.

| Item                               | Date                    |
|------------------------------------|-------------------------|
| RFP Issued                         | Thu, 8/30/01            |
| Proposal Submission Forms Due      | Mon, 9/24/01 – 5pm EPT  |
| Final Pricing Due                  | Fri, 9/28/01 – 10am EPT |
| Winning Supplier(s) Notified       | Fri, 9/28/01 – 4pm EPT  |
| Contract(s) Executed               | Tue, 10/2/01            |
| Contract(s) filed for DTE Approval | Thu, 10/4/01            |
| Commence Delivery                  | Sat, 12/1/01            |

<sup>3</sup> FG&E currently provides its Default Service customers with a variable or fixed retail rate option. The power supply sought in this RFP will be used to serve all Default Service customers, regardless of the retail rate options (variable or fixed) they choose.

Respondents to this RFP for Default Service must submit one (1) copy of their proposal to the following address by **5:00 p.m. EST on Monday September 24, 2001**. Please mark submissions "FG&E Default Service Bid Response."

FG&E Default Service Bid Response  
Attn: Mr. Ed Horak  
Enermetrix  
3 Clock Tower Place  
Suite 130  
Maynard, MA 01754  
(978) 823-1234 (voice)  
E-mail: [networkmanager@enermetrix.com](mailto:networkmanager@enermetrix.com)

Proposals may be submitted by e-mail. However, FG&E and its agents reserve the right to request that a hard copy of any proposal be delivered by mail or by hand for any reason, though FG&E expects to issue such requests only in the event that an e-mail submission is unreadable or inaccessible. Respondent's proposal must include the requested background information outlined in the Proposal Submission Form, attached as Appendix B (see file "App B - Form"). Proposed pricing must be in the form described in the Proposal Requirements section.

Respondents will have the opportunity to modify their pricing proposals until 10:00 a.m. EST on Friday, September 28, 2001, at which time bids will become binding. FG&E intends to confirm final pricing, evaluate competing bids, and select a winning Supplier(s) that same day. The winning Supplier(s) must enter into and deliver the Default Service Power Contract to FG&E within two (2) business days.

FG&E, at its sole discretion, reserves the right to issue additional instructions or requests for additional information, to extend the due date, to modify any provision in the RFP or any appendix thereto and to withdraw the RFP.

#### Contact Person and Questions

Questions regarding this RFP should be submitted in writing to Ed Horak at [networkmanager@enermetrix.com](mailto:networkmanager@enermetrix.com). FG&E will attempt to respond to all questions within 24 hours of receipt. In the interest of fairness and prompt access to information regarding this solicitation, FG&E plans to periodically e-mail a list of all questions addressed and any updates regarding the RFP process to Suppliers who have requested a copy of the RFP and for whom e-mail addresses are available. Please contact Ed Horak to add or remove your e-mail address for the purpose of such communication.

#### Right to Select Supplier

FG&E shall have the exclusive right to select or reject any and/or all of the proposals submitted at any time, for any reason and to disregard any submission not prepared according to the requirements contained in this RFP.



#### Customer Billing and Customer Service

The Default Service power supply procured under this RFP will be a wholesale supply. As such, the winning Supplier(s) will have no retail customer contact in any form. All customers taking Default Service will be retail customers of FG&E. As the retail provider of such service, FG&E will provide billing and customer service to customers receiving Default Service.

In addition, FG&E will assume responsibility for the ultimate collection of moneys owed by customers in accordance with rules and regulations approved by the Massachusetts DTE.

#### **IV. Service Features**

##### Supply Obligation Period

The supply obligation period will commence at 0001 hours on December 1, 2001 and will terminate at 2400 hours on May 31, 2002.

##### Delivery Point

The supply of power shall be delivered to FG&E's Flag Pond Substation, a point on the NEPOOL PTF system ("Delivery Point"). The Supplier of Default Service for each customer group will be responsible for any PTF losses allocated by the ISO to their account. However, the Supplier will not be responsible for distribution losses from the Delivery Point to customers' meters.

##### Form of Service

Default Service power supply is firm, load-following power delivered to FG&E's Flag Pond Substation for delivery by FG&E to ultimate customers taking service under FG&E's Default Service tariff. The winning Supplier(s) will perform under a "load asset" contract in the ISO-NE market system to serve the load requirements associated with the customer group(s) awarded under this RFP. The winning Supplier(s) will be responsible for all present and future requirements and associated costs for installed capacity, energy, operating reserves, automatic generation control, losses, uplift costs and any congestion charges to the extent such charges are not imposed on FG&E as a transmission charge by NEPOOL or the ISO, associated with Default Service, and any other requirements, market products, expenses or charges imposed by NEPOOL or the ISO, as they may change from time to time.

FG&E, not the Supplier(s), will be responsible for distribution losses associated with the delivery of electricity from Flag Pond to the customers' meters. In addition, FG&E will make arrangements for NEPOOL Regional Network Service, which provides for transmission over PTF, and Local Network Service from any applicable local transmission provider(s), which provides for transmission over non-PTF. FG&E will be billed by NEPOOL and the applicable local transmission provider(s) for these services and will pay these bills and collect the costs, along with its distribution costs, from its customers through its retail distribution tariffs. Any other transmission or

distribution costs will be the Supplier's responsibility. FG&E will report Default Service loads to ISO-NE on a daily basis in accordance with the reporting practices in New England. The load reported for Default Service customers will incorporate appropriate load allocation and estimation techniques and available meter readings for customers receiving Default Service from FG&E. Month end adjustments, based on customer meter readings, will be made to loads approximately 45 days after each month. Such adjustments will be priced at the contract price in effective for the month the load was served.

## V. Proposal Requirements

### Requested Information

Each Respondent to this RFP must provide the information requested in the Proposal Submission Form attached as Appendix B (see file "App B - Form.doc"). Respondents may simply complete the Form in any legible fashion and return it to FG&E. In addition, proposals should contain explanatory, descriptive and/or supporting materials as necessary.

FG&E and its agents will treat all information received from Respondents in a confidential manner and will not, except as required by law or regulatory authority, disclose such information to any third party or use such information for any purpose other than to evaluate the Respondent's ability to perform under the Default Service Power Contract.

### Proposed Pricing

Respondents must specify the prices, in ¢/kWh, at which they will provide Default Service for each customer group they are bidding to serve. Proposed prices may vary by calendar month and by customer group, but must be uniform for the entire calendar month and must cover the entire supply obligation period. Purchases will be made on an "as-delivered" energy basis with prices stated on a fixed ¢/kWh basis for the all kWh reported to the ISO at FG&E's Flag Pond as Default Service load of the customer group(s) awarded to the Supplier under this RFP.

No maximum price is specified, however the final contract, including price will be filed by FG&E for review and acceptance by the DTE.

Proposals which contain time of use pricing, demand charges, or other fixed charges will be rejected.

### Bidder Requirements

In order to secure reliable, low cost Default Service for its customers, FG&E wishes to include all qualified power suppliers in this solicitation.

Bidders must have access to the NEPOOL settlement process for the entire term of the sale, either as a Participant in NEPOOL or via arrangements with a Participant to utilize their settlement process.

FG&E may request security at any time during the term of the Default Service Power Contract to assure the Supplier's performance. Such security may take the form of a cash deposit, letter of credit or corporate guarantee from an investment grade company. The intent of such security would be to assure Supplier's performance at the contract price for the volume of transactions under the Contract.

## **VI. Evaluation Criteria**

The principal criteria to be used in evaluating proposals will include, but may not be limited to:

- Lowest evaluated bid price over the supply obligation period;
- Financial and operational viability of the power supplier; and
- Responsiveness to non-price requirements.

Bid prices will be evaluated by weighing the fixed monthly bids according to the estimated monthly loads for each customer group provided the Evaluation Worksheet (see file "Evaluation Worksheet.xls").

**Appendix A:        Default Service Power Contract**

See file named "App A – Contract.doc"

**Appendix B:      Proposal Submission Form**

See file named "App B – Form.doc"

**Appendix C: DOER 110 Reports**

See file named "App C – DOER 110.pdf"

**DEFAULT SERVICE POWER CONTRACT BETWEEN  
FITCHBURG GAS AND ELECTRIC LIGHT COMPANY  
AND  
DEFAULT SERVICE SUPPLIER**

**ARTICLE 1**

**General Terms and Conditions**

1.1 General Purpose

This Default Service Power Contract (the "Power Contract") dated as of \_\_\_\_\_, 2001 is by and between Default Service Supplier (the "Seller") and Fitchburg Gas and Electric Light Company ("FG&E", the "Buyer"). Pursuant to this Power Contract, Seller will supply firm full-requirements service as necessary to serve (all or a specified share of) the Buyer's Default Service load during the term of this Power Contract.

1.2 Availability and Term

Sales under this Power Contract by Seller are available to Buyer only for resale to retail customers taking service from Buyer under its retail Default Service tariff. This Power Contract covers sales to Buyer for the supply obligation period of December 1, 2001 through May 31, 2002.

1.3 Obligations of the Parties

Seller will provide firm full-requirements service for loads reported by Buyer which accurately represent the loads of all customers which have elected to take retail service under Buyer's retail Default Service tariff. This firm requirements power will be supplied via a load asset contract in the ISO-NE market system. Buyer will file this Power Contract with the Massachusetts Department of Telecommunications and Energy ("DTE").

This Power Contract will terminate of its own accord on May 31, 2002 and may not be terminated prior to that date by either the Buyer or the Seller. Its terms shall remain in effect beyond such termination date in order to complete billing and payment of any transaction occurring during the term of this Power Contract.

1.4 Rights and Approvals

The obligations of the Seller and the Buyer are subject to and conditioned upon securing and retaining all rights and approvals necessary in order to permit service hereunder, and each party agrees to use its best efforts to secure and retain all such rights and approvals which may be required from regulatory authorities of competent jurisdiction.

1.5 Continuity of Service

It is understood that the sales hereunder are firm sales and Seller guarantees firm full-requirements energy, 10 Minute Spinning Reserve ("TMSR"), 10 Minute Non-Spinning Reserve ("TMNSR"), 30 Minute Operating Reserve ("TMOR"), Automatic Generation Control ("AGC"), Installed Capacity ("ICAP"), and any other reserve or capacity requirements as may be required of load serving entities during the term of this Power Contract to Buyer from the wholesale market. TMSR, TMNSR, TMOR, AGC and ICAP shall have the definitions as set forth in the New England Power Pool Market Rules &

Procedures. Interruption of service shall only be allowed for Buyer's inability to accept and deliver power to its retail customers and for events of force majeure.

#### 1.7 Dispatch

It is understood that the Seller is a member of the New England Power Pool ("NEPOOL") and is a signatory to the NEPOOL Agreement or has made an arrangement with a NEPOOL Participant to provide settlement services for the duration of this Power Contract. Transactions under this Power Contract are subject to the provisions of the NEPOOL Agreement. The dispatch provisions shall be in accordance with the NEPOOL Agreement, as amended from time to time.

#### 1.8 Billings and Payment

(a) All bills shall be rendered monthly in such reasonable detail as the Buyer may request. All bills shall be due and payable upon presentation. In the event of a dispute as to the amount of any bill, the Buyer will notify the Seller of the amount in dispute, and the Buyer will pay to the Seller the entire amount of the bill, including the disputed amount. The Seller shall refund, with simple interest at the rate described in paragraph (c), any portion of the disputed amount ultimately found to be incorrect. In the event adequate billing data are not available, bills may be rendered on an estimated basis subject to prompt corrective adjustment when such data are received.

(b) The Buyer shall not have the right to challenge any bill, invoice or statement or bring any court or administrative action of any kind questioning the same or seeking refunds after a period of 12 months from the date it is rendered. In the case of a bill, invoice, or statement containing estimates, the Buyer shall not have the right to challenge its accuracy after a period of 12 months from the date it is adjusted to reflect the actual amounts due.

(c) When all or part of any bill shall remain unpaid for more than 15 days from receipt by the Buyer, the Buyer shall pay to the Seller simple interest at two percent over the then prime rate offered by Fleet Bank, its successors or assigns, with such interest to be computed on the unpaid amount from the date of rendering to the date final payment is received.

#### 1.9 Indemnification

Each party shall indemnify and save the other party harmless from and against all costs and damages incurred by reason of bodily injury, death, or damage to property caused by, or sustained on, each of its own facilities. However, each of the parties shall be solely responsible for, and shall bear all costs of claims by its own employees, contractors, or agents, no matter where such event occurs, and each of the parties shall be solely responsible for, and shall bear all costs of claims by its own employees, contractors or agents arising under, and covered by, any workmen's compensation law.

#### 1.10 Force Majeure

The Seller and the Buyer shall use due diligence to perform their obligations under this Power Contract, but conditions may arise which prevent or delay performance by a party because of causes beyond that party's reasonable control including, without limiting the generality of the foregoing, flood, earthquake, fire, explosion, epidemic, war, riot, civil disturbance, labor trouble, strike, sabotage, and restraints by court or public authority which by exercise of due diligence and foresight a party could not be expected to avoid. If a party is rendered unable to fulfill any obligations by reason of such causes, it shall be excused from performing to the extent it is prevented or delayed from so doing, but shall exercise due diligence to correct such inability with all reasonable dispatch, and shall not be liable for injury, damage, or loss resulting from such inability. However, settlement of strikes and labor disturbances



shall be wholly within the discretion of the affected party. In no event will economic hardship be construed as a force majeure event.

#### 1.11 Dispute Resolution

The Seller and the Buyer shall attempt in good faith to resolve any disputes that may arise under this Power Contract. In the event that the Seller and the Buyer are unable to resolve any such dispute within 30 days of the date on which the dispute arises, they shall have recourse to mediation, arbitration, or other alternative dispute resolution device of their mutual selection. If the parties cannot agree on an alternative dispute resolution device, they shall submit the dispute to arbitration. Any arbitration shall be by a single arbitrator selected by the parties.

#### 1.12 Assignability

This Power Contract for the sale and purchase of capacity, energy and ancillary services shall inure to the benefit of, and shall bind the successors of the parties thereto, but shall not be assignable without the written consent of the other party, which consent shall be at the sole discretion of such other party.

#### 1.13 Security

Security will be in accordance with the NEPOOL Financial Assurances Policy as modified from time to time. The Buyer may request security at any time during the term of this Power Contract to assure the Seller's performance under this Power Contract, which security may be covered by a cash deposit, letter of credit or corporate guarantee from an investment grade company. The amount of the security shall not exceed 25% of the full value of the Power Contract. The intent of the security is to assure Seller's performance at the contract price for the volume of transactions under this Power Contract. Buyer shall provide detailed documentation regarding the volume of transactions and its exposure to increased costs should the Seller default. Seller shall, within 10 days provide the requested security. If Seller disputes the security requested by the Buyer, Seller shall notify buyer of such dispute within the 10 day period. The parties shall immediately submit the dispute to arbitration. The parties acknowledge that time is of the essence in resolving security disputes. The Buyer reserves the right to offset payments due to Seller against security requirements in this Section 1.13.

#### 1.14 Communications

Any notice, demand or request provided for in this Power Contract shall be deemed to be properly given or made if set forth in writing and delivered, or sent by first class mail postage prepaid, by facsimile or electronic mail to FG&E or to the Default Service Supplier, to the contacts identified, at the addresses listed below:

##### To FG&E:

Mr. David K. Foote  
Senior Vice President  
Fitchburg Gas and Electric  
Light Company  
6 Liberty Lane West  
Hampton, NH 03842-1720  
Telephone: (603) 773-6430  
Facsimile: (603) 773-6630  
E-mail: foote@unitil.com

##### To Default Service Supplier:

Contact Name: \_\_\_\_\_  
Contact Title: \_\_\_\_\_  
Company Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
E-mail: \_\_\_\_\_

### 1.15 Effect of Federal and State Laws

The obligations of the Seller and the Buyer hereunder are subject to any present and future Federal and State laws, regulations, orders, or other regulations duly promulgated.

### 1.16 Applicable Laws

This Power Contract shall be interpreted in accordance with the laws of the Commonwealth of Massachusetts.

## **ARTICLE II** **Rate Provisions**

### 2.1 Charges

The Buyer shall pay monthly to the Seller the product of the monthly price per kWh listed in section 2.2 below times the sum of all retail kWh validly assigned to the customers (in either or both customer groups) taking service under the Buyer's Default Service tariff (as reported to NEPOOL or ISO-NE at Flag Pond Substation) in and for each month during the term of this Power Contract.

### 2.2 Monthly Default Service Prices

For all Default Service loads (on behalf of either or both customer groups) the firm requirements price shall be as follows. Note: Actual pricing will be according to the terms resulting from the RFP process.

|                | <u>Residential and Small C&amp;I</u> | <u>Medium and Large C&amp;I</u> |
|----------------|--------------------------------------|---------------------------------|
| December, 2001 | xx.xx¢/kWh                           | xx.xx¢/kWh                      |
| January, 2002  | xx.xx¢/kWh                           | xx.xx¢/kWh                      |
| February, 2002 | xx.xx¢/kWh                           | xx.xx¢/kWh                      |
| March, 2002    | xx.xx¢/kWh                           | xx.xx¢/kWh                      |
| April, 2002    | xx.xx¢/kWh                           | xx.xx¢/kWh                      |
| May, 2002      | xx.xx¢/kWh                           | xx.xx¢/kWh                      |

2.3 Transmission of Capacity, Energy and ancillary services Sold Pursuant to this Power Contract

Capacity, Energy and ancillary services sold pursuant to this firm Power Contract are to be delivered by the Seller to the NEPOOL PTF system. The Buyer will include the cost of all transmission from the NEPOOL PTF system to Buyer's system in its retail rates. The cost and scheduling of any other required third party transmission service to deliver that capacity, energy and ancillary services to the NEPOOL PTF system and the cost of all losses for delivery to FG&E's Flag Pond Substation shall be the responsibility of the Seller. Seller is responsible for all costs and charges billed by NEPOOL for the firm load represented by this Default Service not otherwise identified as Buyer's responsibility herein.

IN WITNESS HEREOF, the parties have caused this Default Service Power Contract to be executed by their respective authorized officials.

FITCHBURG GAS AND ELECTRIC  
LIGHT COMPANY

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
("Default Service Supplier")

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

RESPONDENT: \_\_\_\_\_

FG&E Default Service RFP  
Proposal Submission Form  
Due September 24, 2001

### 1. General Information

|  |  |
|--|--|
| Name of Respondent   |  |
| Principal contact person<br><ul style="list-style-type: none"><li>▪ Name</li><li>▪ Title</li><li>▪ Company</li><li>▪ Mailing address</li><li>▪ Telephone number</li><li>▪ Fax number</li><li>▪ E-mail address</li></ul>          |  |
| Secondary contact person (if any)<br><ul style="list-style-type: none"><li>▪ Name</li><li>▪ Title</li><li>▪ Company</li><li>▪ Mailing address</li><li>▪ Telephone number</li><li>▪ Fax number</li><li>▪ E-mail address</li></ul> |  |
| Legal status of Respondent (e.g., sole proprietorship, partnership, limited partnership, joint venture, or corporation)  |  |
| State of incorporation, residency or organization  |  |
| The names of all general and limited partners (if Respondent is a partnership)   |  |
| Description of Respondent and all relevant affiliated entities and joint ventures  |  |

RESPONDENT: \_\_\_\_\_

FG&E Default Service RFP  
Proposal Submission Form  
Due September 24, 2001

|  |  |
|--|--|
|  |  |
|--|--|

## 2. Financial Information

|   |  |
|---|--|
| Current debt rating for Respondent (include ratings and names of rating agencies).            |  |
| Date Respondent's last fiscal year ended.   |  |
| Total revenue for Respondent for the most recent fiscal year.                                 |  |
| Total net income for Respondent for the most recent fiscal year.                              |  |
| Total assets for Respondent as of the close of the previous fiscal year.                      |  |
| Copy of the Respondent's most recent balance sheet, income statement and cash flow statement. |  |

RESPONDENT: \_\_\_\_\_

FG&E Default Service RFP  
Proposal Submission Form  
Due September 24, 2001

### 3. Defaults and Adverse Situations

|  |  |
|--|--|
| <p>Describe, in detail, any situation in which Respondent (either alone or as part of a joint venture), or an affiliate of Respondent, defaulted or was deemed to be in noncompliance of its contractual obligations to deliver energy and/or capacity at wholesale within the past five years.</p> <p>Explain the situation, its outcome and all other relevant facts associated with the event described.</p> <p>Please also identify the name, title and telephone number of the principal manager of the customer/client who asserted the event of default or noncompliance.</p> |  |
| <p>Describe any facts presently known to Respondent that might adversely affect its ability to provide the service(s) bid herein as provided for in the Request for Proposals</p>  |  |

### 4. NEPOOL AND POWER SUPPLY EXPERIENCE

|  |  |
|--|--|
| <p>Is Respondent a member of NEPOOL?</p>   |  |
| <p>Does Respondent have a NEPOOL settlement account?</p>   |  |
| <p>Name of NEPOOL member which will carry Respondent's loads (if not Respondent, provide a supporting statement from such member).</p> |  |

RESPONDENT: \_\_\_\_\_

FG&E Default Service RFP  
Proposal Submission Form  
Due September 24, 2001

|  |  |
|--|--|
| Describe Respondent's experience and record of performance in the areas of power marketing, brokering, sales, and/or contracting, for the last five years within NEPOOL and/or the New England region. |  |
| Provide three references (name, title and contact information) who have contracted with the Respondent for similar load-following services within the last 2 years.                                    |  |

## 6. SCOPE OF BID AND TERMS OF SALE

|  |  |
|--|--|
| <p>Will Respondent execute a contract substantially similar to the proposed Default Service Supply Contract contained in Appendix B?</p> <p>Please explain any proposed modifications.</p> |  |
| List all regulatory approvals required before service can commence.  |  |

RESPONDENT: \_\_\_\_\_

FG&E Default Service RFP  
Proposal Submission Form  
Due September 24, 2001

## 7. PROPOSED PRICING

Bids for Residential and Small C&I customer group  
(Rate classes RD-1, RD-2, RD-4, GD-1, GD-6)

| Month     | Dec 2001 | Jan 2002 | Feb 2002 | Mar 2002 | Apr 2002 | May 2002 |
|-----------|----------|----------|----------|----------|----------|----------|
| kWh price |          |          |          |          |          |          |

Maximum percentage of load willing to serve \_\_\_\_\_ %

Bids for Medium and Large C&I customer group  
(Rate classes GD-2, GD-3, GD-4, GD-5, SD)

| Month     | Dec 2001 | Jan 2002 | Feb 2002 | Mar 2002 | Apr 2002 | May 2002 |
|-----------|----------|----------|----------|----------|----------|----------|
| kWh price |          |          |          |          |          |          |

Maximum percentage of load willing to serve \_\_\_\_\_ %

### Notes:

- The kWh price should be in format of: "3.9 cents", "4.5 cents", etc.
- FG&E will consider bids to serve less than 100% of the load for each customer group.
- FG&E will not consider fixed kWh bids.
- FG&E will be responsible for distribution losses from the Delivery Point to the customers' meters. Bids should not reflect the cost of local distribution losses.
- Please note that bids cover costs for all ancillary services (ICAP, TMSR, TMNSR, TMOR, and AGC). Please account for all products in the bid prices.



**DOER - 110 INVESTOR OWNED UTILITY DATA REQUEST**  
**FORM**  
 Division of Energy Resources  
 Form DOER - 110 (2001)  
 Standard Offer, Default, and Competitive Generation Customers as of the last day of the month: (Month ending May 2001)

Company Name: Unitil - Fitchburg Gas & Electric

| Customer Rate Class            | Incumbent Generation                       |  |   |  |  |  | Competitive Generation                         |  |
|--------------------------------|--|--|---|--|--|--|--|--|
|                                | Number of Std. Offer Service Customers (a) | kWh Used by Std. Offer Customers for Month (b) | Number of Default Service Customers (Variable Rate) (c) | kWh Used by Default Service Custs. for Month (Variable Rate) (d) | Number of Default Service Customers (Fixed Rate) (e) | kWh Used by Default Service Custs for Month (Fixed Rate) (f) | Number of Competitive Generation Customers (g) | kWh of Competitive Generation Used for Month (h) |
| R-1                            | 16,083                                     | 8,153,989                                      | 6   | 3,516  | 5,066  | 1,997,282  |  |  |
| R-2                            | 2,032                                      | 692,951  |   |  |  |  |  |  |
| R-3                            |  |  |   |  |  |  |  |  |
| R-4                            | 3  | 3,361  |   |  |  |  |  |  |
| R-5                            |  |  |   |  |  |  |  |  |
| R-6                            |  |  |   |  |  |  |  |  |
| G-0                            |  |  |   |  |  |  |  |  |
| G-1                            | 1,140                                      | 266,519  |   |  |  |  |  |  |
| G-2                            | 1,268                                      | 6,728,921                                      | 304   | 1,477,654  | 276  | 76,390   |  |  |
| G-3                            | 31   | 16,065,161                                     | 5   | 556,796  |  |  |  |  |
| G-4                            | 2  | 50,608   |   |  |  |  |  |  |
| G-5                            | 17   | 51,728   | 1   | 2  |  |  |  |  |
| G-6                            |  |  |   |  |  |  |  |  |
| G-7                            |  |  |   |  |  |  |  |  |
| T-0                            |  |  |   |  |  |  |  |  |
| T-1                            |  |  |   |  |  |  |  |  |
| T-2                            |  |  |   |  |  |  |  |  |
| T-4                            |  |  |   |  |  |  |  |  |
| Farms                          | 61   | 145,739  |   |  |  |  |  |  |
| Street Lights                  | 536  | 184,132  | 72  | 29,339   |  |  |  |  |
| Energy Bank / Special Contract | 1  |  |   |  |  |  |  |  |
| <b>TOTAL</b>                   | <b>21,174</b>                              | <b>32,341,109</b>                              | <b>388</b>  | <b>2,067,306</b>   | <b>5,342</b>   | <b>2,073,672</b>   | <b>0</b>                                       | <b>0</b>   |

DOER - 110  
 Prepared By: Todd Diggins Date: 6/12/01